

**SECRET**

COUNTRY Czechoslovakia

SUBJECT Steel Industry's Troubles

DATE (OF INFO.)

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SUPP. TO  
REPORT NO.

1. The Czechoslovak steel industry has found itself in difficulties as a result of a reduction [redacted] pre deliveries. The new Czechoslovak steel mills, such as the Gottwald Mill, have relied on Soviet ore [redacted]  
[redacted]
2. The Czechoslovak Soviet Republic some time ago declared itself unable to settle its commercial debts [redacted]  
[redacted]  
[redacted] Since that time, exchange of commodities [redacted]  
[redacted] has been much reduced. The settlement of the Czechoslovak debts has, as a result, been delayed.
3. Since the last quarter of 1953, there have been only a few purely cash business transactions [redacted] In such cases, half the proceeds from the transactions must be set aside for the settlement of the Czechoslovak debts. The other half is used for payment for [redacted] exports to the Czechoslovak Soviet Republic. [redacted] exports to Czechoslovakia have, thereby, been much reduced.

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